



ASSOCIATION OF MANITOBA MUNICIPALITIES

MEETING WITH

Honourable Christine Melnick
Minister of Water Stewardship

February 26, 2010

Table of Contents

| | |
|---|----|
| Executive Summary..... | 3 |
| Departmental Issues | 7 |
| 1. <i>Water and Land Use Planning</i> | 7 |
| 2. <i>CD Framework Document and Funding</i> | 8 |
| 3. <i>Funding for Water Initiatives</i> | 8 |
| 4. <i>Provincial Flood Proofing Program</i> | 10 |
| 5. <i>Drainage Issues</i> | 11 |
| General Issue..... | 13 |
| <i>The Core Challenges for Municipalities</i> | 13 |
| <i>Municipal Infrastructure Deficit</i> | 13 |
| <i>Ever Increasing Responsibilities</i> | 16 |
| <i>Alternate Revenues</i> | 17 |
| Appendix A – Active Resolutions..... | 20 |

Executive Summary

Departmental Issues

1. Water and Land Use Planning

- The implementation of *The Water Protection Act* and the recent review of *The Planning Act* have changed the rules for municipal planning.
- Although the AMM supports the basic principles of each act due to the benefits of implementing strategic long-term land use planning and water resource management, concerns remain in terms of the interaction between the two acts and the extent municipalities are affected.
- The Province must work with municipalities to ensure that water and land use planning move forward in a coordinated manner in order for either process to function effectively.
- Municipalities can strive to coordinate land use planning with water management objectives, but this must not jeopardize local authority in land use planning decisions.
- The need for coordination of Provincial policy and legislation is also apparent as the Province moves forward with the review of the Provincial Land Use Policies (PLUP). Once finalized attention must be given to ensure the coordination between land use and water planning under the new guidelines.

Therefore, the AMM urges the Provincial Government to promote greater coordination as new land and water planning legislation and policies are developed and implemented.

2. CD Framework Document and Funding

- The AMM has been pleased to work with the Province and the CD association to find a new direction for CDs in Manitoba that meets the expectations of all partners.
- The initial work is now complete with the release of the joint report in May of 2009 and attention now has shifted to working through the goals identified in the report to finalize the new directions.
- After a careful review of the funding formula and consideration of numerous models what has become increasingly evident is the overall pot of funding available is not nearly what is needed to have an effective and efficient program.
- Unfortunately creative options like rewarding CDs that have done innovative work is not an option when the overall pot of funding is barely enough to keep CDs operating.

- The Province of Manitoba needs to make a significant increase to the overall funding for CDs in Manitoba if we realistically want to have CDs deliver meaningful initiatives across the Province.

Therefore, the AMM urges the Provincial Government to increase overall funding for the conservation districts program.

3. Funding for Water Initiatives

- Each legislated demand for additional licensing or certification requires a costly and time consuming commitment from municipalities.
- For instance, the need for engineering assessments on water treatment facilities consumes a significant proportion of a utility's budget when municipalities already struggle to raise the funds required for these infrastructure investments.
- The need for additional funding is particularly acute in municipalities under long-standing boil water orders and the Province has a responsibility to address the needs of these municipalities.
- The AMM is also seeking the establishment of a tripartite funding program to replace the expired National Water Supply Expansion Program.
- As well, the certification of water and wastewater operators is a prime example of existing constraints beyond the financial, as there are insufficient training opportunities available in Manitoba.
- The Province must consider the financial feasibility of the new legislation and be prepared to work with municipalities to fulfill these requirements.

Therefore, the AMM urges the Provincial Government to provide sufficient funding for necessary water and wastewater treatment initiatives.

4. Provincial Flood Proofing Program

- Some areas experience the same flooding on a regular basis, yet municipalities lack the resources to construct sufficient dykes and other measures to avoid these repeated events.
- The AMM appreciates that DFA was designed to assist in particular circumstances, yet it demonstrates that the available programming is not sufficiently responsive to flooding problems in Manitoba.
- The need for additional flood protection is exacerbated by rail line abandonment, since many rail beds act as dykes that protect communities against high water levels.

Therefore, the AMM urges the Provincial Government to invest in a flood control and protection program that would be applicable throughout Manitoba.

5. Drainage Issues

- The need for adequate drain construction and maintenance is a major concern for municipalities, however the Province has not committed sufficient resources to fulfill this need and establish coordinated drainage systems for Manitoba.
- The Province continues to indicate that water protection and management are important provincial priorities yet each budget year we fail to see any meaningful increase in funding for water management.
- Municipalities share the Province's interest in a coordinated water management system, however water systems extend well beyond municipal boundaries and municipal drainage works must occur within a broader province-wide plan.
- Municipalities have also raised concerns regarding the drainage licensing process and the AMM appreciates the Provincial commitment to taking action on the Ombudsman's recommendations in order to improve the overall operation of drainage works in Manitoba.

Therefore, the AMM urges the Provincial Government to develop a province-wide water management plan and allocate sufficient resources to drainage construction and maintenance throughout Manitoba.

General Issue

The Core Challenges for Municipalities

- Municipal government plays a greater role in the lives of Canadians than any other time in history and the new realities facing municipalities have serious repercussions as they diligently try to balance growing responsibilities with stagnant revenues.
- Municipal infrastructure is the very foundation of a community, yet its current state leaves communities with little hope for prosperity. Nationally the municipal infrastructure deficit is in excess of \$123 billion and provincially it is estimated at over \$11 billion, or a staggering \$10,000 per Manitoban.

- As well, municipal responsibilities continue to grow, either through the intentional or unintentional offloading of responsibilities or new unfunded mandates being forced on municipalities.
- Because of these challenges municipalities must have access to new sources of revenues. Options include the Province collecting a one cent municipal tax to be allocated to municipalities for infrastructure, a rebate of the Provincial Sales Tax paid by municipalities, or an increase to existing revenue sources such as VLTs.
- Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada and while in some cases these types of programs are necessary it leaves municipalities having to compete against each other for limited dollars and restricts a municipality's ability to properly plan for much needed investment.
- For municipal government to be sustainable into the future, and for Manitobans to have access to the quality of life they deserve, municipalities need to have access to sustainable growth revenues. This is the only way municipalities will be able to even begin to address the core challenges they face.

Therefore the AMM would like to see:

- 1. A greater investment in municipal infrastructure by all levels of government**
- 2. An end to the downloading of responsibilities to municipalities and a requirement that new mandates come with new funding**
- 3. A commitment to provide new alternate revenues to municipalities**

Departmental Issues

1. Water and Land Use Planning

The implementation of *The Water Protection Act* and the recent review of *The Planning Act* have changed the rules for municipal planning. Although the AMM supports the basic principles of each act due to the benefits of implementing strategic long-term land use planning and water resource management, concerns remain in terms of the interaction between the two acts and the extent municipalities are affected.

Municipalities are still working to adjust their planning efforts to comply with the legislation, yet they continue to lack the information required to complete these processes. The Province must work with municipalities to ensure that water and land use planning move forward in a coordinated manner in order for either process to function effectively.

In particular, municipalities engage in land use planning at the local level and the Province's emphasis on water resources will certainly impact these processes.

Municipalities can strive to coordinate land use planning with water management objectives, but this must not jeopardize local authority in land use planning decisions. The need to preserve local authority was a key factor for the AMM during the review of *The Planning Act* and any new water management framework must respect these established processes.

The need for coordination of Provincial policy and legislation is also apparent as the Province moves forward with the review of the Provincial Land Use Policies (PLUP). Amending and updating this regulation offers an opportunity to articulate that land use and water resource planning are complementary processes. The AMM understands Manitoba Local Government is set to release the enhanced PLUPs and attention must now be given to ensuring the coordination between land use and water planning under the new guidelines.

Therefore, the AMM urges the Provincial Government to promote greater coordination as new land and water planning legislation and policies are developed and implemented.

2. CD Framework Document and Funding

When the Province announced its vision for the future of conservation districts in the discussion document *Framework for the Future*, municipalities were very alarmed by the proposed direction. Since that time, the Province has worked with AMM and the CD association to find a new direction that meets the expectations of all partners. This has been an extremely beneficial process and sets a valuable precedent for future collaborations between our organizations.

The initial work is now complete with the release of the joint report in May of 2009. The attention now has shifted to working through the goals identified in the report to finalize the new directions.

One of the critical elements reviewed so far is the funding formula for the conservation district movement into the future. After careful review and consideration of numerous models the working group has agreed to a future direction for funding. What became increasingly evident throughout our review is that the overall pot of funding available is not nearly what is needed to have an effective and efficient program. Unfortunately creative options like rewarding CDs that have done innovative work is not an option when the overall pot of funding is barely enough to keep CDs operating. The Province of Manitoba needs to make a significant increase to the overall funding for CDs in Manitoba if we realistically want to have CDs deliver meaningful initiatives across the Province.

Therefore, the AMM urges the Provincial Government to increase overall funding for the conservation districts program.

3. Funding for Water Initiatives

Due to growing environmental concerns, the Province has enacted various requirements to protect and enhance Manitoba's water resources. *The Drinking Water Safety Act*, *The Water Protection Act*, and the *Water and Wastewater Facility Operators Regulation* are key examples of new water management legislation that redefine the

management of municipal facilities. Each legislated demand for additional licensing or certification requires a costly and time consuming commitment from municipalities. Therefore, the Province must be prepared to commit additional funding to these critical projects.

For instance, in order to meet the requirements of *The Drinking Water Safety Act*, municipalities must now conduct engineering assessments on water system infrastructure and its water supply source. The need for engineering assessments on water treatment facilities consumes a significant proportion of a utility's budget when municipalities already struggle to raise the funds required for these key infrastructure investments. In many cases, municipal water treatment facilities are designed and constructed in conjunction with Provincial Government experts at the Manitoba Water Services Board. Yet an additional engineering assessment is now required to meet the conditions of this legislation. This creates yet another cost that municipalities are expected to incur, but it is unreasonable to expect municipalities to continue absorbing such costs with the limited resources available. This additional step is especially difficult to rationalize when municipalities are already working to ensure safe facilities are constructed and maintained.

Such additional financial burdens can deter much-needed investment; however the health of the community and the environment must not be compromised. These interests are shared by the Province; therefore it is appropriate for provincial funding to accompany newly legislated requirements for water and wastewater facilities. The need for additional funding is particularly acute in municipalities under long-standing boil water orders and the Province has a responsibility to address the needs of these municipalities. For this reason, the AMM is also seeking the establishment of a tripartite funding program to replace the expired National Water Supply Expansion Program. Many municipalities benefited from this program, yet there are still substantial demands for safe and reliable water and wastewater facilities. The AMM appreciates the Province's commitment to fund one-third of the full capital cost of sewer and wastewater projects across Manitoba. Since the Federal Government is also a stakeholder in these initiatives, municipalities appreciate the Province's efforts toward

securing a tripartite funding agreement that would resolve ongoing water resource issues in Manitoba.

There are also constraints beyond the financial that hinder municipalities from meeting the requirements laid out in Provincial legislation. The certification of water and wastewater operators is a prime example as there are insufficient training opportunities available in Manitoba. This is a pressing problem since the first round of conditional licenses has begun to expire. The AMM has been working with the Province to explore making this field an apprenticed trade and while this will hopefully have long term benefits, there remains immediate concerns.

Municipalities place a high priority on providing clean water and environmentally sustainable wastewater treatment. The new legislation governing water and wastewater facilities imposes additional requirements for municipalities at a significant financial cost and assistance is required in meeting these new demands. The Province must consider the financial feasibility of the new legislation and be prepared to work with municipalities to fulfill these requirements.

Therefore, the AMM urges the Provincial Government to provide sufficient funding for necessary water and wastewater treatment initiatives.

4. Provincial Flood Proofing Program

The Red River Floodway is a prime example of the need to invest in flood protection and control measures in Manitoba. Although a project of this magnitude is clearly designed to respond to a unique need, it is indicative of both a widespread problem and the value of developing appropriate solutions.

Manitoba's geography is such that there are many flood prone areas that would benefit from greater flood protection. Some areas experience the same flooding on a regular basis, yet municipalities lack the resources to construct sufficient permanent dykes and other measures to avoid these repeated events. The AMM has long been raising concerns with the inefficiency of the current system with focuses exclusively on temporary, ad hoc initiatives that do nothing to prevent a similar event in the future.

While there has been some softening of the rules in recent years, the program must ensure communities are not left vulnerable to repeated flooding, which only increases the long-term costs of DFA.

The need for additional flood protection is exacerbated by rail line abandonment, since many rail beds act as dykes that protect communities against high water levels. The elimination of this infrastructure changes drainage structures and puts communities at an increased risk of flooding. Municipalities do not have the resources to replace this critical flood protection infrastructure and decommissioning plans must give greater consideration to the impacts on adjacent property. Where rail line abandonment is already in progress, the Province should be prepared to work with rail companies and local communities to identify and resolve the negative consequences of removing this infrastructure.

Therefore, the AMM urges the Provincial Government to invest in a flood control and protection program that would be applicable throughout Manitoba.

5. Drainage Issues

Water management affects all municipalities and is therefore of great interest to AMM. Ongoing drainage issues continue to rank among the top concerns of municipal governments and are raised annually at our Convention. The need for adequate drain construction and maintenance is a major concern for municipalities, however the Province has not committed sufficient resources to fulfill this need and establish coordinated drainage systems for Manitoba. The Province continues to indicate that water protection and management are important provincial priorities yet each budget year we fail to see any meaningful increase to funding for water management. While we understand there are competing provincial priorities, drain construction and maintenance must be included among the top priorities. In pursuing its commitment to invest in infrastructure, the Province should ensure that additional funding is available for drainage works in the upcoming Budget.

Furthermore, in order to support the coordination of drainage operations, the Province must implement a plan to guide drainage works throughout Manitoba. Municipalities share the Province's interest in a coordinated water management system, however water systems extend well beyond municipal boundaries and municipal drainage works must occur within a broader plan. Such a plan will also be useful in guiding the strategic allocation of Provincial and municipal drainage funding. Both orders of government will be better able to identify and prioritize required construction and maintenance projects, leading to more effectively managed drainage infrastructure. In June 2008, Minister Lemieux indicated that the Province was moving toward a long-term capital plan for drainage, however municipalities have not learned of any progress in this regard. This will require Manitoba Water Stewardship to work with Manitoba Infrastructure and Transportation to coordinate the Province's drainage efforts. At present there is some confusion regarding the interaction between these departments where drainage is concerned, and articulating an overall plan would greatly assist in clarifying the Province's approach to drainage.

Municipalities have also raised concerns regarding the drainage licensing process. Many of these concerns were highlighted in the 2008 Manitoba Ombudsman's report on improving the drainage licensing and enforcement system. The AMM appreciates that the Province is committed to taking action on these recommendations in order to improve the overall operation of drainage works in Manitoba. For instance, many municipalities were concerned with the decision to require licenses for all drainage works, including replacing culverts of the same size. The AMM was pleased to see a new minor works policy in place for last season and is looking forward to receiving an update from the department on its success. There is no doubt this new requirement has increased the number of applications received, and it is imperative that an expedited process for license review is in place. At the same time, there are further improvements to be implemented based on the Ombudsman's report and municipalities will be assessing the effectiveness of these measures over time.

Therefore, the AMM urges the Provincial Government to develop a province-wide water management plan and allocate sufficient resources to drainage construction and maintenance throughout Manitoba.

General Issue

The Core Challenges for Municipalities

Today's municipal government plays a greater role in the lives of Canadians than any other time in history. Municipalities no longer simply plow the streets and pick up the garbage. Sure today's municipal corporation still cleans the streets and collects garbage (and recyclables), but it also is sustainably managing growth through everything from state of the art transit systems to environmentally conscious land use and water planning. The pioneers of municipal government would be astonished to see today's council agenda where elected officials are doing everything from recruiting doctors from around the world to providing operating funding for daycares.

These new realities are having serious repercussions for municipalities as they diligently try to balance growing responsibilities with stagnant revenues. Everyday municipalities are facing new demands from both citizens and other orders of government and must try to balance these with existing priorities and scarce revenues that remain overly reliant on the ebb and flow of grant programs. The current challenges facing municipalities are overwhelming and there must be a greater effort to address these if we want to see strong vibrant communities throughout our province.

While municipal concerns cut across every provincial department, there are two core issues that are most pressing for municipalities today - the ballooning municipal infrastructure deficit and the growing mandate of municipal government, either through intentional and unintentional offloading of responsibilities from other orders of government and unfunded mandates. These two challenges are crippling municipal government and keeping Manitoba communities behind.

Municipal Infrastructure Deficit

It is no secret that municipalities are facing nearly insurmountable infrastructure challenges. We only need to take a look around our communities to see the deteriorating state of our infrastructure. Roads that are nearly impassable due to potholes and heaving, drafty libraries with crippling heating bills, recreation complexes

with leaking roofs and water and sewer treatment plants that are running beyond capacity. These are the very foundation of a community, yet their current state leaves communities with little hope for prosperity. For Manitoba communities to thrive in the future these swelling infrastructure challenges must be addressed.

In Canada the municipal infrastructure deficit is in excess of \$123 billion for current needs. Most alarming is how quickly the deficit has been compounding, as it has doubled over the last 5 years. Equally alarming, the \$123 billion is only for the upgrade and repair of current municipal infrastructure, with another \$115 billion required for new infrastructure.¹

These national trends hold true for Manitoba as well. The City of Winnipeg has recently calculated its infrastructure deficit at \$3.8 billion for existing infrastructure and \$3.6 billion for new strategic infrastructure.² Historically the municipal infrastructure deficit outside of Winnipeg has been double that within Winnipeg so it is fair to extrapolate that the deficit outside Winnipeg is over \$7.5 billion, putting the total municipal infrastructure deficit in Manitoba in excess of \$11 billion, or a staggering \$10,000 per Manitoban. It is certainly an insurmountable amount for municipalities to tackle on their own since the total municipal taxes levied in 2007 were just over \$730,000,000.³

There is no doubt the current infrastructure deficit is crippling Manitoba's economy. Adequate infrastructure is an obvious prerequisite for economic development and unfortunately it is greatly lacking in many communities. FCM has investigated this principle in depth and found that an increase in municipal infrastructure spending of \$1 billion in 2008 (at nominal process and allocated to a representative mix of infrastructure) would increase the size of the real economy by roughly 0.13 percent or \$1.3 billion in nominal terms. While this would erode slightly over time with consistent investment, over a four year period it would still result in meaningful gains to the economy, dropping to a 0.6 percent increase in the final year. The resulting investment

¹ Saeed Mirza, "Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure", November 2007 (available at www.fcm.ca)

² City of Winnipeg Administrative Report, "Infrastructure and Possible Funding Options" Tabled at July 22nd, 2009 Council Meeting (available at www.winnipeg.ca)

³ Province of Manitoba, "Statistical Information 2007 – Municipalities of the Province of Manitoba", P.17

would be felt in the employment sector as well, since a great number of industries would benefit. A \$1 billion investment in 2008 would add 11,500 new jobs, which would be felt in industries from labour and material suppliers through to architects and engineers.⁴

Providing adequate infrastructure has both direct and indirect benefits for private-sector manufacturing. Infrastructure is an intermediate input into the production process, with businesses locating where there is access to water, hydro and transportation. New roads reduce fuel costs and haul times. Access to high quality (and adequate) water reduces input costs. There is also evidence that increased investments in public infrastructure allow private companies to use labour inputs more intensively, translating into more jobs.⁵

While the numbers are staggering, of far greater concern is the very real impact this infrastructure deficit is having on the people who live in Manitoba. Manitobans are experiencing longer commutes to work either because of impassable roads or slower speeds. We are also spending more time travelling to neighbouring communities to access recreation opportunities. Many have seen the outmigration of neighbours and friends who tire of dealing with these daily challenges.

Municipal councils want to create vibrant, welcoming communities, but this is nearly impossible with the state of infrastructure today. For example, there remain 137 boil water advisories in Manitoba, many in Manitoba municipalities.⁶ This means in 2010 thousands of Manitobans do not have access to safe drinking water when they turn on the tap. It is unreasonable to think these communities can realistically compete with the rest of Manitoba and Canada if they do not have this essential infrastructure.

⁴ Sonnen, Carl, "Municipal Infrastructure- Macroeconomic impacts of spending and level-of-government financing" May 31, 2008 (available at www.fcm.ca)

⁵ Brox, James A. "Infrastructure Investment: The Foundation of Canadian Competitiveness - IRPP Policy Matters 2008" August, 2008 (available at www.irpp.org)

⁶ Province of Manitoba "Provincial Boil Water Advisories" – January 11th, 2010

Ever Increasing Responsibilities

A second core challenge for municipalities is ever increasing responsibilities. Municipalities are continually being asked to do more and more, either through the intentional or unintentional offloading of responsibilities from other orders of government or through new unfunded mandates being forced on municipalities by the provincial and federal government. These new responsibilities do not come with new revenue sources and result in municipal budgets being stretched thinner and thinner. The sad reality is that as municipalities are being forced to take on more the core municipal responsibilities suffer.

Municipal officials believe in their community. This is where they live, most often where they work and sometimes where they were born. They care greatly about their community and when they see a need they will do everything they can to address it. Many times municipal officials are their own worst enemy, as they step in and act where other orders of government have abdicated their responsibilities. Municipalities step up and do repairs on provincial roads, they recruit physicians from all corners of the world, and they help fund community health facilities. In some cases municipalities are just filling gaps in service unintentionally left by other orders of government and other times municipalities are stepping in because the provincial and federal governments have made it clear their community will not get the service or investment unless they do.

Compounding this is the growing trend of unfunded mandates being heaped on municipalities by the provincial and federal governments. Too often new rules are implemented without adequate thought to how they can possibly be implemented. These unilateral decisions leave municipalities in the untenable position of either scarifying core programs and services or being in non-compliance of provincial rules. Unfortunately we are hearing more and more from municipalities that they are being forced to opt for the latter.

Municipalities cannot keep pace with the rapid increase in the offloading of responsibilities and unfunded mandates. These challenges are pushing municipalities further and further behind.

Alternate Revenues

Now more than ever municipalities need new tools to deal with new responsibilities and new expectations. Currently Manitoba municipalities are more reliant on provincial and federal grants than any other province in Canada⁷. While in some cases these types of programs are necessary (for example large-scale infrastructure projects), it leaves municipalities having to compete against each other for limited dollars and restricts a municipality's ability to properly plan for much needed investment. The amount allocated to grant programs like the recent Municipal Rural Infrastructure Fund or community infrastructure funding under the Building Canada Fund is nowhere near the total demand, meaning there is no guarantee much-needed projects will ever receive funding.

Over-reliance on grants and transfers leaves municipalities without the tools required to meet demands. Many municipal issues, when stripped down to their core, are really issues of access to revenue. For example, the need to remove education tax from property is really a municipal revenue issue, as municipalities see education tax as eroding the property tax base, which is the single greatest source of municipal revenue. Over the last number of years we have seen more and more municipalities speaking out on the need for greater municipal revenue sources.

It is important that the federal and provincial government contributions to municipalities are not forgotten. Federally, municipalities have benefited from a GST rebate, the sharing of the federal gas tax and the Building Canada Fund as well as Stimulus Funding. Provincially, municipalities have benefited from the sharing of provincial income tax, the Building Manitoba Fund, and supports in several other areas. We also appreciate the Province stepping up with their one-third share of recent federal programs. The message the AMM is hoping to convey is not that either order of government has completely forgotten about municipalities, but rather that despite these efforts municipalities still face enormous challenges and more is needed.

⁷ Slack, Kitchen, McMillan, Vaillancourt, "Roles, Responsibilities, Resources and Relationships – Report to the Provincial and Territorial Municipal Associations" June 15th, 2007.

Municipalities must have access to new revenue sources. A greater reliance on property taxes and provincial and federal grants has created an ever-widening chasm between municipal revenues and needs, leaving future generations with what is quickly becoming an insurmountable infrastructure deficit. Municipalities are struggling to deliver core services as their budgets begin to crack under increased demands.

A new approach is needed, and for this reason we are asking the Province of Manitoba to collect a one cent municipal tax to be allocated to municipalities for infrastructure and split equally among municipalities on a per capita basis. This will provide municipalities with in excess of \$200 million a year. For a community of 1,000 people, this means roughly an investment of \$185,000 in their local infrastructure, or \$370,000 for a community of 2,000 people. A community such as Thompson could see close to \$2.5 million, while Winnipeg would expect to see over \$117 million. Although this funding alone will not erase the infrastructure deficit in Manitoba, it is a positive first step.

While the AMM is not necessarily asking for a new tax, there is support among Manitobans for a new tax dedicated to municipal infrastructure. Polling done by AMM in 2008 found that 94 percent of Manitobans see infrastructure as a high priority, including a 94 percent positive response rate in Winnipeg. The poll also found that 55 percent of Manitobans think that municipalities do not have the revenue sources needed to cover infrastructure costs alone, including 50 percent in Winnipeg. Most interestingly, the poll found that 54 percent of Manitobans, including 51 percent of Winnipeggers, support an additional one percent municipal tax dedicated to infrastructure renewal projects⁸. As the infrastructure deficit continues to grow, support for this will only increase.

The AMM is also asking for other revenues sources for municipalities, such as a rebate of the Provincial Sales Tax as well as increases to existing sources such as VLT revenues. We would also ask that any new mandates for municipalities be accompanied with corresponding financial support.

⁸ Probe Research "Public Attitudes on Infrastructure Renewal Funding in Manitoba" September, 2008.

The sad reality is that while the Province of Manitoba has been leaders in some municipal areas, it has not been enough. We have the opportunity to visit every municipality in Manitoba within the four year election cycle and it is clear our communities are struggling and we are falling behind.

We understand that providing additional revenues to municipalities may become more difficult as the economy continues to fluctuate. While economic projections can never be taken as absolute fact, they are often a prophetic divining rod on economic times. However what should not be lost is the positive impact infrastructure investment would have for the provincial and national economy. Furthermore, delaying investment in these critical infrastructure projects will have serious long-term consequences for Manitoba's economy.

Municipalities are not looking for new revenue sources to store money away for a rainy day. The storm has arrived. With a national municipal infrastructure deficit in excess of \$123 billion, and Manitoba's share in excess of \$11 billion, there is no shortage of work to be done. If municipalities are left to deal with this ballooning deficit alone armed only with property taxes and grants, it will continue to grow exponentially. Alternatively, providing municipalities with new revenue sources will not only begin to address this growing deficit, but will help build and strengthen our economy.

The time has come for a new approach to municipal funding. The expectations of today's municipalities are greater than any time in history. Regrettably so are the financial challenges facing municipalities. For municipal government to be sustainable into the future, and for Manitobans to have access to the quality of life they deserve, municipalities need to have access to sustainable growth revenues. This is the only way municipalities will be able to even begin to address the core challenges they face.

Therefore the AMM would like to see:

- 1. A greater investment in municipal infrastructure by all levels of government**
- 2. An end to the downloading of responsibilities to municipalities and a requirement that new mandates come with new funding**

3. A commitment to provide new alternate revenues to municipalities

Appendix A – Active Resolutions

AMM Resolution Number 48 - 2009

Topic: Updated Water Stewardship Information

Sponsor: Town of Gretna (Central District)

Departments: Manitoba Water Stewardship

WHEREAS Manitoba experienced significant water issues in the Spring of 2009 requiring a state of emergency to be called in numerous municipalities;

AND WHEREAS many municipalities relied on websites for water level information, one of the sites being the Province of Manitoba Water Stewardship website;

AND WHEREAS the water level information was typically made available late afternoon for the current day on the Water Stewardship site, yet other sites posted information on a timely basis with many posting throughout the day, at times up to every 15 minutes, allowing municipalities to be informed while making decisions in the active fight to minimize damage to occupied dwellings;

AMM Resolution Number 71 - 2008

Topic: Increase Conservation District Funding

Sponsor: RM of Louise (Central District)

Departments: Manitoba Water Stewardship

WHEREAS the Province of Manitoba proposed an inequitable new funding formula for the allocation of funding to conservation districts;

AND WHEREAS the proposed funding formula will decrease funding for some conservation districts;

AND WHEREAS the overall funding provided by the Province and the proposed new funding formula is inadequate to address the addition of conservation districts into the program and to accomplish conservation objectives as directed by the Province;

AND WHEREAS under the current funding structure, Provincial expectations of the conservation districts to assume greater responsibilities, yet to continue to be effective and efficient in the administration of provincial priorities, is unreasonable, unfair and places a financial burden on municipal ratepayers to absorb cost shortages;

AND WHEREAS municipalities should not be expected to increase conservation levies to further fund the management of priorities for which the Province is ultimately responsible;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to increase the overall funding to the Conservation Districts Program to address future growth and to provide adequate funding to existing conservation districts to ensure the continued effective and efficient management of Provincial priorities;

AND BE IT FURTHER RESOLVED that the Province of Manitoba replace the proposed new funding formula with one that will ensure that conservation districts have the resources available to fulfill Provincial directives without placing the financial onus on municipalities.

AMM Resolution Number 70 - 2008

Topic: Water Rights License Applications

Sponsor: RM of Taché (Eastern District)

Departments: Manitoba Water Stewardship

WHEREAS municipalities are required to apply and obtain water rights licenses for drainage works;

AND WHEREAS an efficient annual municipal drainage program requires timely issuance of licenses;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to review the staffing complement of drainage officers to determine its sufficiency and establish standards for responding to water rights license applications.

AMM Resolution Number 69 - 2008

Topic: Manitoba Water Services Board

Sponsor: RM of Elton (Western District)

Departments: Manitoba Water Stewardship; Manitoba Infrastructure and Transportation

WHEREAS the Manitoba Water Services Board provides funding and expertise to Manitoba municipalities relating to water and sewer infrastructure, including rural water lines;

AND WHEREAS construction costs for water and sewer related infrastructure for Manitoba municipalities have increased an average of 10% every year;

AND WHEREAS the Provincial allocation for the Manitoba Water Services Board from the Province of Manitoba has not increased for the last ten years, resulting in fewer infrastructure projects being initiated for Manitoba;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to increase the annual budget to the Manitoba Water Services Board to fund infrastructure projects and provide expertise for water and sewer infrastructure

AMM Resolution Number 68 - 2008

Topic: Drainage Approvals for All Works

Sponsor: RM of Elton (Western District)

Departments: Manitoba Water Stewardship

WHEREAS Manitoba Water Stewardship has advised that all municipalities will now be required to submit an application for drainage approval for all culvert replacements, including those where the replacement is for the same size of culvert;

AND WHEREAS this will impose a tremendous amount of work and cost upon all municipalities where there is no change in the culvert size or flow patterns;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province of Manitoba to remove the requirement for a drainage permit application where the culvert is being replaced by a new culvert of the same size.

AMM Resolution Number 34 - 2006

Topic: Provincial Flood Proofing Program

Sponsor: RM of Westbourne (Midwestern District); RM of Taché (Eastern District)

Departments: Manitoba Water Stewardship; Emergency Preparedness Canada

WHEREAS flooding is prevalent in all areas of Manitoba, often during the summer months;

AND WHEREAS the damages being caused by flooding is expensive to repair;

AND WHEREAS a large portion of the public works budget has been redirected to assist against property losses due to flooding events;

AND WHEREAS compensation programs are often not adequate to cover costs of repairs and losses to landowners;

AND WHEREAS municipalities have been approached for assistance in constructing dykes for flood proofing purposes;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Provincial and Federal Governments to invest in a flood control and protection program that will be applicable to the entire Province of Manitoba.

AMM Resolution Number 63 - 2005

Topic: Provincial Drain Management

Sponsor: RM of St. Andrews

Departments: Manitoba Water Stewardship

WHEREAS drainage is a large concern for many municipalities in the Province of Manitoba;

AND WHEREAS the Province of Manitoba has, in the past, provided and maintained both Provincial drains and highway drains;

AND WHEREAS the provision of and maintenance of Provincial drainage and highway drainage is not occurring at this time;

AND WHEREAS the major stumbling block to the applicable departments looking after the above responsibilities is a lack of funding;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Provincial Government to provide adequate funding to the applicable departments to ensure that drainage systems that are the responsibility of the Province of Manitoba are both constructed and maintained.

AMM Resolution Number 59 - 2005

Topic: Conservation District Funding

Sponsor: RM of Springfield (Eastern District)

Departments: Manitoba Water Stewardship

WHEREAS Conservation Districts deliver sustainable conservation programming on the landscape that benefits local residents in addition to all Manitobans;

AND WHEREAS the Province has consistently not met the 75% funding target for Conservation Districts, (e.g. provincial funding to the Cooks Creek Conservation District is approximately 67%);

AND WHEREAS allocation of funds toward watershed-based programming is a more cost effective solution to addressing soil and water related problems than treating the symptoms of the problem;

AND WHEREAS watershed-based programs can result in significant cost savings related to infrastructure, wildlife habitat, water quality, flooding and other issues;

AND WHEREAS Conservation Districts have been referenced in the proposed Water Protection Act;

THEREFORE BE IT RESOLVED THAT the AMM lobby the Provincial Government to maintain funding at a 3:1 ratio to established Conservation Districts;

AND BE IT FURTHER RESOLVED that the AMM lobby the Provincial Government to match new Conservation Districts at the same 3:1 ratio, with matching funds made available to Conservation Districts that desire to raise their local levies in order to address issues identified in an approved watershed management plan developed by the watershed stakeholders.

AMM Resolution Number 23 - 2003

Topic: Provincial Water Retention Policy

Sponsor: RM of Westbourne (Midwestern)

Departments: Manitoba Water Stewardship; Manitoba Finance

WHEREAS water is one of the most important natural resources in Manitoba;

AND WHEREAS water is a necessity for sustaining life and industry throughout Manitoba;

AND WHEREAS increased drainage and land clearing has reduced the ability of aquifers to adequately recharge in the spring and throughout the year;

AND WHEREAS it should be the responsibility of all residents of Manitoba to conserve and protect our water supply;

AND WHEREAS areas of the Province are experiencing an increasing demand for water to sustain and improve agricultural industries;

AND WHEREAS there are no incentives for landowners to conserve moisture and preserve areas well-suited to water retention projects;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities lobby the Provincial Government to develop a Water Retention Policy to ensure aquifers are adequately recharged in periods of spring runoff and heavy moisture conditions;

AND BE IT FURTHER RESOLVED THAT this policy include Environmental Tax Credits for those property owners who are willing to preserve wooded areas and maintain water storage projects on their property.

AMM Resolution Number 32 - 2002

Topic: Commission to Identify Water Recharge Areas

Sponsor: RM of Piney (Eastern District)

Departments: Manitoba Water Stewardship

THEREFORE BE IT RESOLVED THAT the AMM lobby the Province to appoint a commission to identify water recharge areas throughout the southern part of the province, and to provide recommendations to rural municipalities to protect these areas.

AMM Resolution Number 39 - 2001

Topic: Protection for Groundwater Services

Sponsor: Town of Stonewall; RM of Woodworth

Departments: Manitoba Water Stewardship; Manitoba Intergovernmental Affairs

WHEREAS the quality of potable groundwater has always been of great importance to the quality of life and health of the citizens of the province;

AND WHEREAS a potable water source is essential for rural residential land uses;

AND WHEREAS septic fields and injection systems in rural residential developments are resulting in a negative impact on potable groundwater sources;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities lobby the Province to strengthen the provincial land use policies to require greater protection for potable groundwater sources.

AMM Resolution Number 32 - 2001

Topic: Maintenance of Natural Waterways

Sponsor: RM of Morris (Eastern District)

Departments: Manitoba Water Stewardship

WHEREAS the natural waterways in the Province are designated under the responsibility of the local municipality;

AND WHEREAS these natural waterways are a cost factor beyond most municipalities' capabilities for crossings, etc.

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities request that the Province accept responsibility for all natural waterways and their required crossings.

AMM Resolution Number 30 - 2001

Topic: Provincial Maintenance of Drains

Sponsor: RM of Morris (Eastern District); RM of Rosser (Interlake District); RM of MacDonald (Central District)

Departments: Manitoba Water Stewardship

WHEREAS inadequate drainage of agricultural land is a major concern to both the farming community and to municipalities;

AND WHEREAS municipalities continue to improve drainage to keep pace with the expectations of the farming community;

AND WHEREAS the Department of Conservation has made little attempt to maintain drainage systems for which they are responsible;

AND WHEREAS the financial loss due to improper drainage not only affects the farming community, but reduces the revenues that would be generated to the federal and provincial governments;

THEREFORE BE IT RESOLVED THAT the Association of Manitoba Municipalities lobby the Province to undertake work on their drains to provide proper and adequate drainage;

BE IT FURTHER RESOLVED that the Association of Manitoba Municipalities lobby the Province to improve and upgrade drains that are the jurisdiction and responsibility of the Department of Conservation.

BE IT FURTHER RESOLVED that the Association of Manitoba Municipalities lobby the Province to provide additional funding that would allow for the maintenance of provincial drains to provide efficient drainage of land in the agricultural areas of the Province.